



ENERGY ASSURANCE DAILY

Wednesday Evening, February 01, 2017

Major Developments

Update: Enterprise's 400,000 b/d Seaway Pipeline Remains Shut after Crude Oil Leak in Texas January 30; Repair and Restoration Activities Begin February 1

Enterprise Products Partners' legacy Seaway crude oil pipeline remained shut on Wednesday, yet response crews were transitioning to repair and restoration activities at the site of the leak located near Trenton, Texas. Enterprise shut the pipeline on Monday night after a third party contactor struck the pipe, which resulted in a crude oil leak of unknown volume. All of the free oil at the site had been collected by Wednesday afternoon and efforts were underway to remove the impacted soil for proper disposal. Enterprise said it continues working closely with emergency responders, law enforcement, and regulatory authorities to develop a plan to resume operations as quickly and as safely as possible, and that an investigation into the incident is underway. The Seaway Pipeline System, a joint venture between Enterprise and Enbridge Inc., is comprised of two 30-inch pipelines—a 400,000 b/d legacy line and a 450,000 b/d twin line—that both ship crude oil from the Cushing, Oklahoma storage hub to the Freeport, Texas area where a terminal and distribution network serves refineries in the Greater Houston area.

<http://seawaypipeline.com/news/>

Reuters, 15:21 February 1, 2017

Electricity

FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Shut by February 1

On the morning of January 31 the unit was operating at 30 percent. The cause of the shutdown was not immediately known.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Restarts January 30, Ramps Up to 20 Percent by February 1

On the morning of January 31, the unit was operating at 9 percent after restarting on January 30. The unit shut from 82 percent on September 9 due to a loss of the residual heat removal pump.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160909en.html>

Petroleum

Update: Magellan Revises Diesel Spill Estimate from Iowa Pipeline to 1,115 Barrels

Magellan Midstream Partners on Tuesday said 1,115 barrels of diesel had spilled from one of its refined products pipelines near Hanlontown, Iowa on January 25, considerably lower than its earlier estimate of about 3,300 barrels. The 12-inch pipeline segment between Rosemount, Minnesota and Mason City, Iowa was restarted on January 28 after being taken offline for repairs.

http://www.downstreamtoday.com/news/article.aspx?a_id=55158

<https://www.oe.netl.doe.gov/docs/eads/ead012617.pdf>

U.S. Army Corp of Engineers Takes Steps to Review Energy Transfer Partners' Dakota Access Pipeline River Crossing February 1

The U.S. Army Corp of Engineers on Wednesday said it had taken initial steps to review requests to approve the final permit that would allow Energy Transfer Partners to complete the construction of its 570,000 b/d, 1,170-mile Dakota Access pipeline. Wednesday's move does not mean the easement to the tunnel under the Missouri River in North Dakota has been granted, which is the last remaining stretch of the pipeline to be built. Native American groups and climate activists have been protesting the project, which runs adjacent to the Standing Rock Sioux Reservation in southern North Dakota, for months. The tribe had successfully won delays from the Obama Administration for further environmental review, but President Donald Trump signed an executive order on January 24 directing the Corps of Engineers to expedite review of the project. The Assistant Secretary for the Army Civil Works will make a decision on the pipeline once a full review and analysis is completed in accordance with the directive, the Corps said. Once complete, the Dakota Access pipeline will ship crude oil from North Dakota's Bakken region to a supply and logistics hub in Patoka, Illinois, providing further access to Gulf Coast refinery markets.

<http://www.usace.army.mil/Dakota-Access-Pipeline/>

Reuters, 10:50 February 1, 2017

CDU Production Unchanged after Malfunction at Valero's 335,000 b/d Port Arthur, Texas Refinery January 31 – Sources

Production on the large crude distillation unit (CDU) at Valero Energy Corp's Port Arthur, Texas refinery was unchanged after an early Tuesday morning malfunction, said sources familiar with plant operations. The CDU was running at about 70 percent of its 268,000 b/d capacity after a malfunction on the vacuum distillation section of the unit, the sources said.

Reuters, 16:17 January 31, 2017

Velocity to Construct Crude Terminal, Additional Oil Pipeline in Oklahoma February 1

Velocity Midstream Partners announced that Velocity Central Oklahoma Pipeline LLC, a wholly owned subsidiary of Velocity Midstream, obtained long term customer commitments supporting the construction of a second oil pipeline through the South Central Oklahoma Oil Province (SCOOP), providing connections to the Cushing, Oklahoma storage hub and CVR Refining's 70,000 b/d Wynnewood, Oklahoma refinery. The new 41-mile, 8-inch pipeline and four terminal expansions will allow producers to deliver as much as 100,000 b/d of truck injected or pipeline gathered barrels to markets. The project will also connect to Velocity's previously announced 26-mile, 12-inch Wynnewood pipeline project set to be in service in April with an initial capacity of 45,000 b/d and maximum capacity of 120,000 b/d.

<https://www.worldpipelines.com/business-news/01022017/velocity-to-construct-a-second-oil-pipeline-and-further-crude-terminals/>

U.S. Commercial Crude Stocks Increase by 6.5 Million Barrels January 27 – EIA

U.S. commercial crude inventories rose 6.5 million barrels during the week ending January 27 to a total of about 494.8 million barrels, the Energy Information Administration (EIA) said on Wednesday. Meanwhile, crude stocks at the Cushing, Oklahoma delivery hub fell by 1.2 million barrels to 64.1 million barrels, EIA said.

Reuters, 11:16 February 1, 2017

Natural Gas

DCP Midstream Shuts Natural Gas Pipeline after Rupture, Explosion in Texas January 31

DCP Midstream shut a 16-inch natural gas pipeline on Tuesday after a rupture and explosion destroyed part of the runway at the Panola County Airport-Sharpe Field in Carthage, Texas. The explosion left a hole in the runway measuring 12 feet deep and 30 feet in diameter, according to airport officials. DCP said it temporarily rerouted and offloaded approximately 85 MMcf/d, which is expected to be returned to the East Texas plant late Wednesday. No fire or injuries were reported and DCP said it will begin repairs on the line. The airport will remain closed indefinitely.

Reuters, 12:07 February 1, 2017

<http://www.kltv.com/story/34396323/panola-co-airport-closed-after-damage-from-reported-pipeline-explosion>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices February 1, 2017			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	53.85	52.06	31.57
NATURAL GAS Henry Hub \$/Million Btu	3.00	3.25	2.25

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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